



CITY COUNCIL AGENDA REPORT

MEETING DATE: APRIL 7, 2009

ITEM NO:

SUBJECT: APPEAL OF AMENDMENT TO PLANNING APPLICATION PA-08-24 (ZA-09-05)
1860 NEWPORT BOULEVARD (NEWPORT WATCH & JEWELRY CENTER)

DATE: MARCH 26, 2009

FROM: DEVELOPMENT SERVICES DEPARTMENT – PLANNING DIVISION

PRESENTATION BY: DONALD D. LAMM, DEVELOPMENT SERVICES DIRECTOR
MEL LEE, SENIOR PLANNER

FOR FURTHER INFORMATION CONTACT: WENDY SHIH, ASSOCIATE PLANNER 714-754-5136

RECOMMENDATION:

Adopt attached resolution to uphold, modify, or reverse Planning Commission's decision to deny a part of an amendment to Planning Application PA-08-24 (processed as ZA-09-05); the request is to modify conditions of approval to allow the word "loan" to be used in exterior signage and to decrease the minimum loan amount from \$2,500 to \$500, for an existing watch and jewelry store with ancillary pawnbroker services.

BACKGROUND:

Project Location:

The property is located in the City's Downtown Redevelopment Plan Area between Broadway and Flower Street, on the east side of Newport Boulevard (see Attachment 1). It is bounded by Newport Boulevard to the west, commercial uses to the north and south, and residences across the alley to the east. Triangle Square is located directly across Newport Boulevard.

Previous Actions:

On October 27, 2008, Planning Commission approved Conditional Use Permit PA-08-24 to allow incidental pawnbroker services in conjunction with a watch and jewelry store. Commission included two conditions of approval (numbers 4 and 5) prohibiting loan amounts less than \$2,500 and prohibiting exterior signs to include the words "loan" or "pawn".

The applicant requested an amendment (ZA-09-05) to the conditions to decrease the minimum loan amount to \$500 and to allow the word "loan" in exterior signs.

At their meeting of March 9, 2009, Commission, by a 5 to 0 vote, approved use of the word "loan" in exterior signage and denied the decrease in the minimum loan amount. Commission believed the decreased loan amount would encourage pawnbroker services to be the primary component of the business, as opposed to an ancillary service to the watch and jewelry store. The Commission also determined that it could contribute to a negative impression of the general area.

On March 16, 2009 the business operator, Scott Mitchum, appealed Commission's decision regarding the minimum customer loan amount. He states that the "loan-to-value on watches, diamonds and jewelry has dropped, therefore significantly disabling us from conducting business".

The Planning Commission staff report and minutes for March 9, 2009 are included as Attachment 5.

ALTERNATIVES:

City Council may consider the following alternatives:

1. Uphold Planning Commission's decision to deny a portion of ZA-09-05, an amendment to PA-08-24, in respect to the minimum loan amount decrease (condition number four). This would prohibit the decrease in minimum loan amount but allow the word "loan" to be used in exterior signage (see Resolution 2A).
2. Modify Planning Commission's decision in respect to condition number four. This would allow a decrease in the minimum loan amount from \$2,500 to \$500 in addition to the use of the word "loan" in exterior signage (see Resolution 2B).
3. Reverse Planning Commission's decision and deny ZA-09-05 entirely. This would prohibit customer loan amounts below \$2,500 and prohibit the word "loan" in exterior signage. The business may continue to operate under the original conditions of approval for PA-08-24 (see Resolution 2C).

FISCAL REVIEW:

Fiscal review is not required.

LEGAL REVIEW:

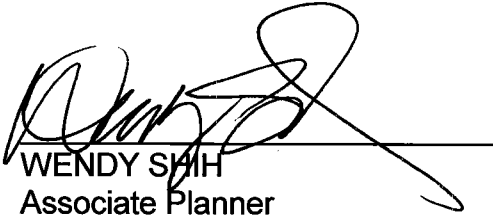
The City Attorney's Office has reviewed the resolution and approved it as to form.

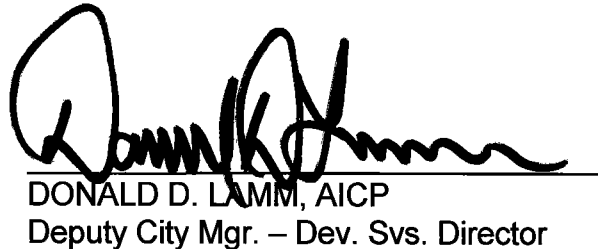
ENVIRONMENTAL REVIEW:

The project is exempt from the provisions of the California Environmental Quality Act under Section 15301 for Existing Facilities.

CONCLUSION:

Commission denied the applicant's request to allow a decrease in the minimum loan amount because they believed it would be inconsistent with the intent of their original approval of PA-08-24 since it would encourage pawnbroker services to be the primary component of the business.


WENDY SMITH
Associate Planner


DONALD D. LAMM, AICP
Deputy City Mgr. – Dev. Svs. Director

Attachments: 1. Aerial Photo/Location Map
 2. Draft City Council Resolutions
 3. Appeal Application
 4. Planning Commission Resolution
 5. Planning Commission staff report and meeting minutes from
 March 9, 2009

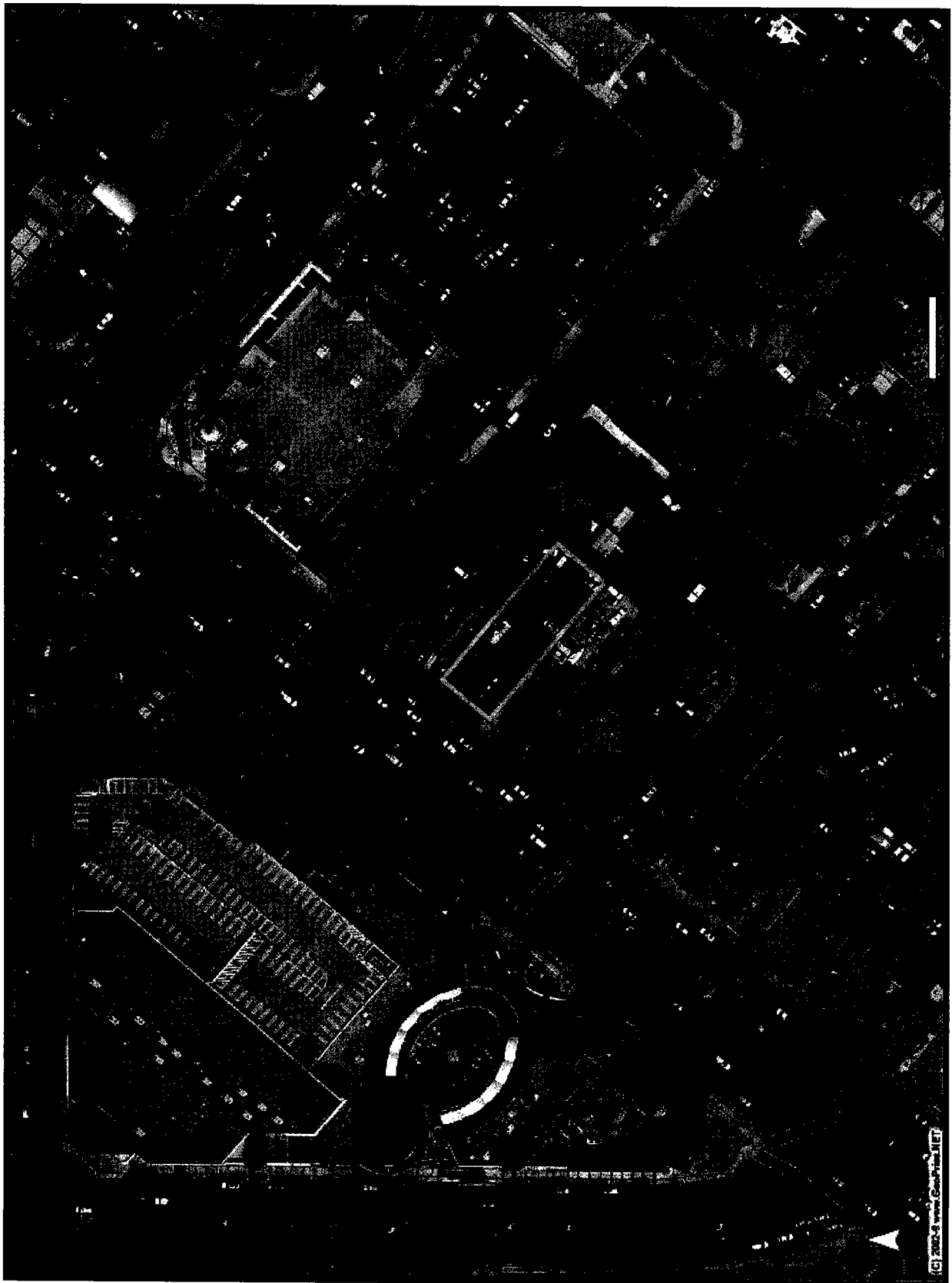
Distribution: City Manager
 Asst. City Manager
 City Attorney
 Public Service Director
 City Clerk (2)
 Staff (4)
 File (2)

 Scott Mitchum
 1860 Newport Boulevard
 Costa Mesa, CA 92627

 Murrey Seidner
 1949 Auto Centre Drive
 Glendora, CA 91740

ATTACHMENT 1

LOCATION/AERIAL MAP



RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COSTA MESA UPHOLDING PLANNING COMMISSION'S DENIAL
OF AN AMENDMENT TO PLANNING APPLICATION PA-08-24
(ZA-09-05) AS IT PERTAINS TO THE MINIMUM CUSTOMER
LOAN AMOUNT FOR ANCILLARY PAWNBROKER SERVICES**

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY RESOLVES AS
FOLLOWS:

WHEREAS, an application was filed by Scott Mitchum, authorized agent for property owner Murrey Seidner, with respect to the real property located at 1860 Newport Boulevard, requesting an amendment to the conditions of approval for Conditional Use Permit PA-08-24 to allow the word "loan" to be used in exterior signage and to decrease the minimum loan amount from \$2,500 to \$500, in a C2 zone; and

WHEREAS, a duly noticed public hearing was held by the Planning Commission on March 9, 2009, and Planning Commission approved the word "loan" to be used in exterior signage and denied the minimum loan amount decrease; and

WHEREAS, the item was appealed by Scott Mitchum to the City Council on March 16, 2009, as it pertains to Commission's denial of the minimum loan amount decrease; and

WHEREAS a duly noticed public hearing was held by the City Council on April 7, 2009.

NOW, THEREFORE, BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit "A", the City Council of the City of Costa Mesa hereby **UPHOLDS PLANNING COMMISSION'S DENIAL** of an amendment to Planning Application PA-08-24 (ZA-09-05) with respect to the minimum loan amount.

PASSED AND ADOPTED this 7th day of April 2009.

Mayor of the City of Costa Mesa

ATTEST:

City Clerk of the City of Costa Mesa

STATE OF CALIFORNIA)
COUNTY OF ORANGE)ss
CITY OF COSTA MESA)

I, Julie Folcik, City Clerk and ex-officio Clerk of the City Council of the City of Costa Mesa, do hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the said City Council at a regular meeting thereof held on the 7th day of April 2009.

City Clerk and ex-officio Clerk of the City Council of
the City of Costa Mesa

EXHIBIT "A"**FINDINGS (approval of signage and denial of a decrease in loan amount)**

- A. The proposed amendment to PA-08-24 (processed as ZA-09-05) as it pertains to allowing the word "loan" to be used in exterior signage complies with Costa Mesa Municipal Code Section 13-29(e) because:
1. The proposal is compatible and harmonious with uses on surrounding properties.
 2. The proposal is consistent with the General Plan and Redevelopment Plan.
 3. The zoning application is for a project-specific case and does not establish a precedent for future development.
- B. The information presented substantially complies with Costa Mesa Municipal Code section 13-29(g)(2) as it pertains to allowing the word "loan" to be used in exterior signage in that the proposal is substantially compatible with developments in the same general area. Granting the amendment to Conditional Use Permit PA-08-24 as it pertains to allowing the word "loan" to be used in exterior signage will not be detrimental to the health, safety and general welfare of the public or other properties or improvements within the immediate vicinity.
- C. The information presented does not comply with Costa Mesa Municipal Code Section 13-29(g)(2) as it pertains to decreasing the minimum loan amount from \$2,500 to \$500, in that the proposal is not compatible with uses in the same general area. Granting the amendment to Conditional Use Permit PA-08-24 as it pertains to decreasing the minimum loan amount from \$2,500 to \$500 will be detrimental to the health, safety and general welfare of the public or other properties or improvements within the immediate vicinity. Specifically, the requested amendment is inconsistent with the intent of the approval of PA-08-24 because it would promote pawnbroker services to a primary component of the use, which is contrary to the conditional use permit approval which allows only ancillary pawnbroker services at a watch and jewelry store, and could contribute to a negative impression of the general area.
- D. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures, and has been found to be exempt from CEQA under Section 15301.
- E. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COSTA MESA MODIFYING PLANNING COMMISSION'S
DECISION AND APPROVING AN AMENDMENT TO
PLANNING APPLICATION PA-08-24 (ZA-09-05)**

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY RESOLVES AS
FOLLOWS:

WHEREAS, an application was filed by Scott Mitchum, authorized agent for property owner Murrey Seidner, with respect to the real property located at 1860 Newport Boulevard, requesting an amendment to the conditions of approval for conditional use permit PA-08-24 to allow the word "loan" to be used in exterior signage and to decrease the minimum loan amount from \$2,500 to \$500, in a C2 zone; and

WHEREAS, a duly noticed public hearing was held by the Planning Commission on March 9, 2009, and Planning Commission approved the word "loan" to be used in exterior signage and denied the decrease in minimum loan amount; and

WHEREAS, the item was appealed by Scott Mitchum to the City Council on March 16, 2009, as it pertains to Commission's denial of the minimum loan amount decrease; and

WHEREAS a duly noticed public hearing was held by the City Council on April 7, 2009.

NOW, THEREFORE, BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit "A", the City Council hereby **MODIFIES PLANNING COMMISSION'S DECISION AND APPROVES** the modification of conditions of approval numbers four and five for Planning Application PA-08-24 (ZA-09-05) to read as follows:

4. No loans less than \$500 shall be permitted.
5. No exterior signs stating "pawn" shall be permitted.

BE IT FURTHER RESOLVED that the Costa Mesa City Council does hereby find and determine that adoption of this Resolution is expressly predicated upon the activity as described in the Staff Reports for Planning Applications PA-08-24 and ZA-09-05,

and upon applicant's compliance with each and all of the conditions contained in Exhibit "B" of PC-08-75 as modified herein. Any approval granted by this resolution shall be subject to review, modification or revocation if there is a material change that occurs in the operation, or if the applicant fails to comply with any of the conditions of approval.

PASSED AND ADOPTED this 7th day of April 2009.

Mayor of the City of Costa Mesa

EXHIBIT "A"

FINDINGS (approval)

- A. The proposed amendments to PA-08-24 (processed as ZA-09-05) complies with Costa Mesa Municipal Code Section 13-29(e) because:
 - 1. The proposed use is compatible and harmonious with uses on surrounding properties.
 - 2. The proposal is consistent with the General Plan and Redevelopment Plan.
 - 3. The planning application is for a project-specific case and does not establish a precedent for future development.
- B. The information presented substantially complies with Costa Mesa Municipal Code section 13-29(g)(2) in that the proposed use is substantially compatible with developments in the same general area. Granting the amendments will not be detrimental to the health, safety and general welfare of the public or other properties or improvements within the immediate vicinity. Specifically, the pawnbroker services will remain ancillary to the watch and jewelry retail store.
- C. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures, and has been found to be exempt from CEQA under Section 15301.
- D. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COSTA MESA REVERSING PLANNING COMMISSION'S
DECISION AND DENYING AN AMENDMENT TO PLANNING
APPLICATION PA-08-24 (ZA-09-05)**

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY RESOLVES AS
FOLLOWS:

WHEREAS, an application was filed by Scott Mitchum, authorized agent for property owner Murrey Seidner, with respect to the real property located at 1860 Newport Boulevard, requesting an amendment to the conditions of approval for Conditional Use Permit PA-08-24 to allow the word "loan" to be used in exterior signage and to decrease the minimum loan amount from \$2,500 to \$500, in a C2 zone; and

WHEREAS, a duly noticed public hearing was held by the Planning Commission on March 9, 2009, and Planning Commission approved the word "loan" to be used in exterior signage and denied the minimum loan amount decrease; and

WHEREAS, the item was appealed by Scott Mitchum to the City Council on March 16, 2009, as it pertains to Commission's denial of the decrease in minimum loan amount; and

WHEREAS a duly noticed public hearing was held by the City Council on April 7, 2009.

NOW, THEREFORE, BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit "A", the City Council of the City of Costa Mesa hereby **REVERSES PLANNING COMMISSION'S DECISION AND DENIES** an amendment to Planning Application PA-08-24 (ZA-09-05).

PASSED AND ADOPTED this 7th day of April 2009.

Mayor of the City of Costa Mesa

EXHIBIT "A"

FINDINGS (denial)

- A. The proposed amendments to PA-08-24 (processed as ZA-09-05) do not comply with Costa Mesa Municipal Code Section 13-29(e) because:
 - 1. The proposal is not compatible and harmonious with uses on surrounding properties.
 - 2. The use is not consistent with the General Plan and Redevelopment Plan.
 - 3. The planning application is for a project-specific case and does not establish a precedent for future development.
- B. The information presented does not comply with Costa Mesa Municipal Code Section 13-29(g)(2) in that the proposal is not compatible with uses in the same general area. Granting the amendments to Conditional Use Permit PA-08-24 (ZA-09-05) as to allow the use of the word "loan" in exterior signage and to allow minimum customer loan amounts to be decreased from \$2,500 to \$500 will be detrimental to the health, safety and general welfare of the public or other properties or improvements within the immediate vicinity. Specifically, the requested amendments are inconsistent with the intent of the approval of PA-08-24 because it would promote pawnbroker services to a primary component of the use, which is contrary to the conditional use permit approval which allows only ancillary pawnbroker services at a watch and jewelry store, and could contribute to a negative impression of the general area.
- C. The Costa Mesa City Council has denied the amendment to PA-08-24 (ZA-09-05). Pursuant to Public Resources Code Section 21080(b)(5) and CEQA Guidelines Section 15270(a), CEQA does not apply to this project because it has been rejected and will not be carried out.
- D. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

ATTACHMENT 3

CITY OF COSTA MESA
P. O. Box 1200
Costa Mesa, CA 92628-1200

FEE: \$ 1,220⁰⁰

APPLICATION FOR REVIEW, APPEAL OR REHEARING

Applicant Name Scott Mitchell

Address 1860 Newport Blvd Costa Mesa Ca. 92627

Phone 949 673 3888 Representing* Murray Seidner

REQUEST FOR: ☐ REVIEW** ☒ APPEAL ☐ REHEARING

Decision of which review, appeal or rehearing is requested: (give number of rezone, zone exception, ordinance, etc., if applicable, and the date of the decision, if known.) PA-08-24 - March 9, 2009

Decision by: _____

Reasons for requesting review, appeal or rehearing: _____

(see ATTACHMENT)

Date: 3-14-09

Signature: [Signature]

For office use only - do not write below this line

SCHEDULED FOR THE CITY COUNCIL/PLANNING COMMISSION MEETING OF:
If review, appeal or rehearing is for person or body other than City Council/Planning Commission, date of hearing of review, appeal or rehearing:

* If you are serving as the agent for another person, please identify the person you represent and provide proof of agency.
** Review may be requested only by City Council or City Council Member
Costa Mesa/Forms1/Application for Review-Appeal-Rehearing

RECEIVED
CITY CLERK
2009 MAR 16 AM 10:10
CITY OF COSTA MESA
BY _____

March 16, 2009

Newport Watch & Jewelry Center
1860 Newport Blvd.
Costa Mesa, Ca. 92627
949.673.3888

City Of Costa Mesa
P.O. Box 1200
Costa Mesa, Ca. 92628

(ATTACHMENT)

RE: PA-08-24. March 9, 2009

Reason for requesting appeal;

We are appealing the Planning Commission's decision against our request for the current loan amount of \$2,500. be reduced to \$500.

Due to the rapid decline in the economy the (loan to value) on watches, diamonds and jewelry has dropped, therefore significantly disabling us from conducting business.

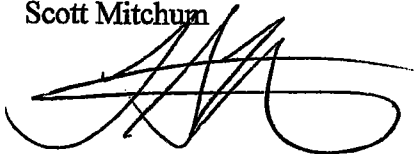
This request is not unreasonable, nor will it change the integrity of our business.

We respectfully request that the members of the Council visit our location to see our first class operation.

Thank you and do not hesitate to contact me if you have any questions or need additional information.

Respectively,

Scott Mitchum

A handwritten signature in black ink, appearing to be 'SM' with a large, stylized flourish at the end.

ATTACHMENT 4

RESOLUTION NO. PC-09-11

**A RESOLUTION OF THE PLANNING COMMISSION OF THE
CITY OF COSTA MESA APPROVING A PORTION OF ZONING
APPLICATION ZA-09-05 TO AMEND A CONDITION OF
APPROVAL FOR PLANNING APPLICATION PA-08-24**

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY RESOLVES
AS FOLLOWS:

WHEREAS, an application was filed by Scott Mitchum, authorized agent for property owner Murrey Seidner, with respect to the real property located at 1860 Newport Boulevard, requesting an amendment to the conditions of approval for conditional use permit PA-08-24 to allow the word "loan" to be used in exterior signage and to decrease the minimum loan amount from \$2,500 to \$500, in a C2 zone; and WHEREAS, a duly noticed public hearing was held by the Planning Commission on March 9, 2009; and

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit "A", and subject to the conditions contained in Exhibit "B", the Planning Commission hereby **APPROVES** Zoning Application ZA-09-05 as it pertains to allowing the word "loan" to be used in exterior signage and **DENIES** Zoning Application ZA-09-05 as it pertains to decreasing the minimum loan amount from \$2,500 to \$500 with respect to the property described above.

BE IT FURTHER RESOLVED that the Costa Mesa Planning Commission does hereby find and determine that adoption of this Resolution is expressly predicated upon the activity as described in the Staff Report for Zoning Application ZA-09-05 and upon applicant's compliance with each and all of the conditions contained in Exhibit "B", as well as with compliance of all applicable federal, state, and local laws. Any approval granted by this resolution shall be subject to review, modification or revocation if there is a material change that occurs in the operation, or if the applicant fails to comply with any of the conditions of approval.

PASSED AND ADOPTED this 9th day of March 2009.



James Richeimer, Chair
Costa Mesa Planning Commission

STATE OF CALIFORNIA)
)ss
COUNTY OF ORANGE)

I, Kimberly Brandt, secretary to the Planning Commission of the City of Costa Mesa, do hereby certify that the foregoing Resolution was passed and adopted at a meeting of the City of Costa Mesa Planning Commission held on March 9, 2009, by the following votes:

AYES: COMMISSIONERS: RIGHEIMER, FISLER, CLARK, MCCARTHY, MENSINGER

NOES: COMMISSIONERS: NONE

ABSENT: COMMISSIONERS: NONE

ABSTAIN: COMMISSIONERS: NONE



Secretary, Costa Mesa
Planning Commission

EXHIBIT "A"

FINDINGS

- A. The proposed amendment to PA-08-24 as it pertains to allowing the word "loan" to be used in exterior signage complies with Costa Mesa Municipal Code Section 13-29(e) because:
1. The proposal is compatible and harmonious with uses on surrounding properties.
 2. The proposal is consistent with the General Plan and Redevelopment Plan.
 3. The zoning application is for a project-specific case and does not establish a precedent for future development.
- B. The information presented substantially complies with Costa Mesa Municipal Code section 13-29(g)(2) as it pertains to allowing the word "loan" to be used in exterior signage in that the proposal is substantially compatible with developments in the same general area. Granting the amendment to Conditional Use Permit PA-08-24 as it pertains to allowing the word "loan" to be used in exterior signage will not be detrimental to the health, safety and general welfare of the public or other properties or improvements within the immediate vicinity.
- C. The information presented substantially does not comply with Costa Mesa Municipal Code Section 13-29(g)(2) as it pertains to decreasing the minimum loan amount from \$2,500 to \$500, in that the proposal is not compatible with uses in the same general area. Granting the amendment to Conditional Use Permit PA-08-24 as it pertains to decreasing the minimum loan amount from \$2,500 to \$500 will be detrimental to the health, safety and general welfare of the public or other properties or improvements within the immediate vicinity. Specifically, the requested amendment is inconsistent with the intent of the approval of PA-08-24 because it would promote pawnbroker services to a primary component of the use, which is contrary to the conditional use permit approval which allows only ancillary pawnbroker services at a watch and jewelry store, and could contribute to a negative impression of the general area.
- D. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures, and has been found to be exempt from CEQA under Section 15301.
- E. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

EXHIBIT "B"

CONDITIONS OF APPROVAL

- Plng.
1. The use shall comply with conditions and Code requirements of PA-08-24 with the following modification:
Condition 5 – No exterior signs stating "pawn" shall be permitted.
 2. A copy of the conditions of approval for the conditional use permit must be kept on premises and presented to any authorized City official upon request.



PLANNING COMMISSION

AGENDA REPORT

VI.7

MEETING DATE: MARCH 9, 2009

ITEM NUMBER:

SUBJECT: ZONING APPLICATION ZA-09-05
1860 NEWPORT BOULEVARD

DATE: FEBRUARY 26, 2009

FOR FURTHER INFORMATION CONTACT: WENDY SHIH, ASSOCIATE PLANNER (714) 754-5136

PROJECT DESCRIPTION

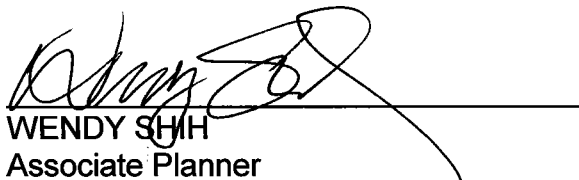
The applicant is requesting approval of an amendment to the conditions of approval for Conditional Use Permit PA-08-24 to allow the word "loan" to be used in exterior signage and to decrease the minimum loan amount from \$2,500 to \$500, for an existing watch and jewelry store with ancillary pawnbroker services.

APPLICANT

Scott Mitchum is the authorized agent for property owner Murrey Seidner.

RECOMMENDATION

Deny by adoption of Planning Commission resolution.


WENDY SHIH
Associate Planner


KIMBERLY BRANDT, AICP
Asst. Development Services Director

BACKGROUND

On October 27, 2008, Planning Commission by a 3 to 2 vote (Commissioners Clark and Egan voting no) approved Conditional Use Permit PA-08-24 to allow incidental pawnbroker services in conjunction with a watch and jewelry store. Commission included two conditions of approval (numbers 4 and 5) prohibiting loan amounts less than \$2,500 (as originally proposed by the applicant) and prohibiting exterior signs to include the words "loan" or "pawn".

Commission also approved Conditional Use Permit PA-08-27 for ancillary pawnbroker services at 1808 and 1872 Newport Boulevard for Estate Watch Jewelry & Loan at the October 27, 2009 meeting. The store at 1808 Newport Boulevard closed its business in January 2009. However, since the conditional use permit runs with the land, another watch and jewelry store with ancillary pawnbroker services may occupy the building at a future date, resulting in the following four locations in the 1800 block of Newport Boulevard that are allowed pawnbroker services:

1808 Newport (currently vacant) Formerly Estate Watch Jewelry & Loan	Approved under PA-08-27.
1836 Newport Coast Jewelry & Loan	Legal, nonconforming. Business established prior to CUP requirement.
1860 Newport (subject site) Newport Watch & Jewelry Center	Approved under PA-08-24.
1872 Newport Estate Watch Jewelry & Loan	Approved under PA-08-27.

The applicant is requesting an amendment to the conditions of approval to allow the minimum loan amount be decreased to \$500 and the exterior signs to include the word "loan". Minor amendments to conditional use permits are typically processed as minor conditional use permits. However, since the applicant wishes to modify the conditions added by Commission, the Zoning Administrator determined it was appropriate for Commission to review the proposed modifications.

ANALYSIS***Condition 4 – Reducing Loan Amount***

Commission approved PA-08-24 based on the pawnbroker services being ancillary to the primary watch and jewelry retail business. Therefore, a condition was included prohibiting loan amounts below \$2,500. The same condition was also applied to 1808 and 1872 Newport Boulevard. It was expected that customer traffic for pawnbroker/loan services would be minimal because the minimum loan amount proposed by the applicant was \$2,500.

Condition 5 – "Loan" in Exterior Signage

There are currently two similar establishments in the immediate area that include "loan" in their exterior signage (Coast Jewelry & Loan at 1836 Newport Boulevard and Estate

Watch Jewelry & Loan at 1872 Newport Boulevard). However, Coast Jewelry & Loan is a legal nonconforming business without any conditions on its signage, and Commission did not place a sign copy restriction on the conditional use permit for Estate Watch Jewelry & Loan because the signs were permitted and installed prior to consideration of the conditional use permit. Although the City does not typically regulate sign copy, during the public hearing, the applicant agreed to the condition prohibiting the words "loan" or "pawn" to be used in exterior signage.

Staff believes reducing the minimum loan amount to \$500 and advertising "loan" on the building exterior would further promote the pawnbroker activity at the business so that it is no longer ancillary to the primary retail business.

GENERAL PLAN AND REDEVELOPMENT PLAN CONFORMITY

General Plan Objective LU-1F encourages standards that minimize blighting influences and maintain the integrity of stable neighborhoods. Approval of the requested amendments would reduce the standards necessary to ensure that pawnbroker services remain ancillary to the primary retail business and to minimize blighting influences to the surrounding area.

ALTERNATIVES

The Planning Commission may consider the following alternatives:

1. Deny the application. If Commission denies the amendment request, the business may continue to operate under the conditions of PA-08-24. A similar request may not be submitted for six months.
2. Approve the application. Approval of the application would allow a reduction of the minimum loan amount from \$2,500 to \$500 and incorporation of the word "loan" into the exterior signs.

ENVIRONMENTAL DETERMINATION

The project is exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15301 for Existing Facilities.

CONCLUSION

Commission approved incidental pawnbroker services for a watch and jewelry store with conditions to ensure that the primary business remains retail. Staff believes the requested amendments are inconsistent with the intent of the original approval of ensuring that the pawn broker activities are not the primary component of this business.

Attachments: 1	Draft Planning Commission Resolutions
2	Applicant's Project Description Letter
3	Zoning/Location Map
4	Plans

5 Resolution No. PC-08-75

cc: Deputy City Manager - Dev. Svs. Director
Senior Deputy City Attorney
City Engineer
Fire Protection Analyst
Staff (4)
File (2)

Scott Mitchum
1860 Newport Boulevard
Costa Mesa, CA 92627

Murrey Seidner
1949 Auto Centre Drive
Glendora, CA 91740

File: 030909ZA0905

Date: 022609

Time: 2:00 p.m.

03-09-09 Approved Planning Commission Minute Excerpt for ZA-09-05

7. **Zoning Application ZA-09-05, for Scott Mitchum, authorized agent for Murrey Seidner, for an amendment to the conditions of approval for PA-08-24 to permit the use of the word "loan" in signage and to reduce the minimum amount for customer loans, located at 1860 Newport Boulevard, in a C2 zone. Environmental determination: exempt.**

Senior Planner Mel Lee reviewed the information in the staff report and responded to a question from the Commission regarding the dollar amount submitted by the applicant.

Jim Caviola, attorney for property owner Murrey Seidner, stated that this is a beautiful property and is exactly what you want to see in Costa Mesa. He said that Mr. Seidner has a pawnbroker's license and is entitled to advertise, and wants to place a loan sign because of the economic times. Mr. Caviola agreed to all the conditions of approval and emphasized that Mr. Seidner needs to lower his loan amount to do business in this City with this economy.

Beth Refakes, Costa Mesa, expressed concern that this would downgrade the downtown area; objected to this type of business; and asked that this request be denied and the conditional use permit be revoked.

No one else wished to speak and the Chair closed the public hearing.

Planning Commission Secretary Kimberly Brandt explained to Vice Chair Fisler that once the conditional use permit is approved and activated, it runs with the land.

Vice Chair Fisler commented on the non-conforming use ordinance.

Ms. Brandt explained to Commissioner Mensinger that the City requires a conditional use permit when anyone requests a pawnbroker's license, and the primary use at this business is jewelry and watch repair. She added that each conditional use permit is handled on a case-by-case basis and development standards could be adopted relating to use.

MOTION: Approve Zoning Application ZA-09-05.

Moved by Vice Chair James Fisler, but the motion died for lack of a second.

Vice Chair Fisler said these establishments are there, they are legal, and some people need to use their services. He noted it was still a high limit.

The Chair stated he had major concerns for pawn shops and ancillary uses and proceeded to make a motion.

MOTION: Approve Zoning Application ZA-09-05 as it pertains to allowing the word “loan” to be used in exterior signage and deny Zoning Application ZA-09-05 as it pertains to decreasing the minimum loan amount from \$2,500 to \$500, by adoption of Planning Commission Resolution PC-09-11, based on the evidence in the record and the findings contained in Exhibit “A”, subject to conditions in Exhibit “B”, with the revised Findings and the revised Condition No. 1, adopted as follows:

FINDINGS

A. The proposed amendment to PA-08-24 as it pertains to allowing the word “loan” to be used in exterior signage complies with Costa Mesa Municipal Code Section 13-29(e) because:

- 1. The proposal is compatible and harmonious with uses on surrounding properties.**
- 2. The proposal is consistent with the General Plan and Redevelopment Plan.**
- 3. The zoning application is for a project-specific case and does not establish a precedent for future development.**

B. The information presented substantially complies with Costa Mesa Municipal Code Section 13-29(g)(2) as it pertains to allowing the word “loan” to be used in exterior signage in that the proposal is substantially compatible with developments in the same general area. Granting the amendment to Conditional Use Permit PA-08-24 as it pertains to allowing the word “loan” to be used in exterior signage will not be detrimental to the health, safety and general welfare of the public or other properties or improvements within the immediate vicinity.

C. The information presented substantially does not comply with Costa Mesa Municipal Code Section 13-29(g)(2) as it pertains to decreasing the minimum loan amount from \$2,500 to \$500, in that the proposal is not compatible with uses in the same general area. Granting the amendment to Conditional Use Permit PA-08-24 as it pertains to decreasing the minimum loan amount from \$2,500 to \$500 will be detrimental to the health, safety and general welfare of the public or other properties or improvements within the immediate vicinity. Specifically, the requested amendment is inconsistent with the intent of the approval of PA-08-24 because it would promote pawnbroker services to a primary component of the use, which is contrary to the conditional use permit approval which allows only ancillary pawnbroker services at a watch and jewelry store, and could contribute to a negative impression of the general area.

D. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures, and has been found to be exempt from CEQA under Section 15301.

E. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

CONDITIONS OF APPROVAL

1. The use shall comply with conditions and Code requirements of PA-08-24 with the following modification:

**Condition 5 - No exterior signs stating "pawn" shall be permitted.
Moved by Chair James Righeimer, seconded by Commissioner Colin McCarthy.**

The motion carried by the following roll call vote:

Ayes: Chair James Righeimer, Vice Chair James Fisler, Commissioner Sam Clark, Commissioner Colin McCarthy, and Commissioner Stephen Mensinger

Noes: None.

Absent: None.

The Chair explained the appeal process.